



DEPARTMENT OF RESOURCES RECYCLING AND RECOVERY

801 K STREET, MS 19-01, SACRAMENTO, CALIFORNIA 95814 • (916) 322-4027 • WWW.CALRECYCLE.CA.GOV

Date

(OPERATOR NAME)
(ORGANIZATION NAME)
(ADDRESS)
(CITY STATE ZIP)

Subject: **Processing Center Cost Surveys**

Dear (OPERATOR NAME)

The Department of Resources Recycling and Recovery (CalRecycle) determines the processing payment, processing fee and handling fee using the statewide average cost of recycling from recycling centers. The average cost of recycling for each material type is conducted every other year for recycling centers per Public Resources Code (PRC) Sections 14552 and 14575.

It has been many years since CalRecycle surveyed processing center sites. This year, CalRecycle is including processing centers in the cost survey in conjunction with recycling centers. The result of the cost survey will assist CalRecycle in determining actual costs of recycling for processing centers and the effectiveness of the processing payment to recycling centers and other recycling programs.

Your business has been randomly selected to participate in the cost survey to determine the average cost of recycling for processing centers. A representative from the CalRecycle will contact you within the next month to arrange a date and time for visiting your site and collecting the necessary cost and labor information. The cost survey will be for the following processing center(s):

(FACILITY NAME- CERT ID)

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The survey process will typically consist of a site visit by two CalRecycle representatives. They will require access to information regarding your employees' work activities, your payroll, and all costs for the twelve months ending on December 31, 2014. CalRecycle representatives also will conduct interviews of site managers, or any other site personnel, regarding the work functions and activities performed by each of your employees during calendar year 2014.

Collecting and organizing the required financial and labor information for CalRecycle prior to the site visit will reduce the time CalRecycle representatives spend at your site and reduce the need for representatives to contact you after the site visit. When you are contacted to schedule the



(OPERATOR NAME)

Date

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site visit, a CalRecycle representative will request selected financial information needed for the site visit per California Code of Regulations (CCR) § 2965. To aid you in determining which records are more appropriate for our use, CalRecycle representatives will be asking for the following information in priority order:

Business financial statements for 2014, including a depreciation schedule (one of the following, in preference order):

- Audited financial statements (including income statements with revenues and expenses), or
- Reviewed financial statements, or
- Tax returns with supporting ledgers and schedules, or
- Compiled financial statements, or
- Trial balances with supporting ledgers and schedules.

A schedule of hours and wages (including regular and overtime hours) for each employee (one of the following, in preference order):

- W-2s with supporting hours, or
- EDD Form DE-3s for each quarter in 2012 with supporting hours, or
- Any other records that show hours and wages.

In order to obtain accurate cost information, Section 2125, Chapter 5, Division 2, Title 14, of the California Code of Regulations (CCR) establishes the inspection authority of CalRecycle whereby a certified operator shall provide access to the operator's facility or program for representatives of CalRecycle to obtain allowable cost survey data. Failure to provide information for the cost surveys shall result in Revocation of a Certification, or Suspension of a Certification and imposition of Civil Penalties, pursuant to PRC Section 14591.1 and CCR Section 2125. Information obtained during the cost surveys is considered proprietary and is kept completely confidential pursuant to CCR Section 2945.

Your cooperation on these cost surveys is greatly appreciated. To minimize the survey time, please ensure that all pertinent information is available for CalRecycle representatives on your survey date. If you have any questions regarding the cost survey process, please contact Amy Yhnell, of CalRecycle, at (916) 324-5036, or Wendy Pratt, of Crowe Horwath LLP, at (916) 492-5173.

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Si quiere una traducción en español de esta carta, por favor llame a la Senora Xinh Lorente (916) 813-2911.

Sincerely,



Mike Miller, Manager
Recycling Program Operations Branch
Division of Recycling